

#### Funding Research Update – December

Governor's Office of Education Innovation

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>>> Why?

- Student weights are designed to...
  - Allocate additional money to students who require greater resources to educate
    - ELL Weights
    - Poverty Weights
    - Special Education Weights
    - Gifted Program Weights
  - Allocate additional money to LEAs with greater costs
    - Small & Very Small School Adjustments
    - Rural School Adjustments
  - Allocate additional money to instructional programs
    - Move On When Reading
    - Dropout Prevention Programs
    - **Crade-level Student Weights**

- Why the specific weights and specific values?
  - Research
    - What practices/programs influence student outcomes?
  - Policy
    - How much does it cost to fund certain practices/programs?

- Why change/streamline the weights?
  - To increase transparency/understandability
  - To increase equity among LEAs
    - Local options (outside the formula)
    - Impact Aid (Federal) (outside the formula)
    - Small School Adjustment (outside the formula)
  - To influence state/school/student outcomes

These three aims are not necessarily related.

- How can the state increase the transparency of the school finance formula?
  - Change how it is reported
  - Create materials to educate school, the public, and lawmakers
- For example, change the lowest base support level to 1.0 (from 1.158) and adjust all other weights accordingly.

- Where is the "factor of five" (per pupil funding) coming from?
  - Local Options (outside the formula)
  - Extremely Small Schools
    - Weight Adjustment
    - Lump Sum (outside the formula)
  - Impact Aid (Reservation Schools) (outside the formula)

- How can we influence state/school/student outcomes?
  - Change how money is spent in the state/schools/classrooms
- How can we change how money is spent in the state/schools/classrooms?
  - Provide incentives for changing outcomes
  - Attach strings to allocated dollars

- If the state were to change the weights used to allocate school funding, would that change educational outcomes?
  - The ultimate decision of how dollars are spent is made at a local level
  - It isn't clear how dollars are currently being spent most effectively
    - Research proposed for taskforce at previous meeting

#### The Real Research Question

- How are effective schools spending their dollars?
- What does it cost in Arizona to educate different populations?

#### How Do We "Fix" School Finance?

- This question often hides the assumption that changing the school finance formula would change student outcomes.
- There are two pieces to this question:
  - Is money distributed fairly?
    - In AZ the answer is, within the formula, yes.
  - Is money appropriate for desired programs?
    - This is a more difficult question to answer, but the proposed research will be a good start

#### Recommendations

- Do not change funding formula
  - Adjust the base weight to 1
  - Clarify weights
- Continue with research project on how money is spent, not how it is allocated
  - This will help answer the question of whether the amounts allocated are appropriate for different populations